EXHIBIT 5

BERNSTEIN RESEARCH CALL

January 14, 2005

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668
Peter Choi, CFA • choip@bernstein.com • +1-212-969-6228
David W. Mehlman • mehlmand@bernstein.com • +1-212-407-5966

Initiating Coverage of Coors with an Outperform | Merger Provides Significant Upside for RKY and Molson Shareholders

Coverage Initiation

Ticker	Rating	CUR	1/13/2005 Closing Price	Target Price	YTD Rel. Perf.	EPS 2003A	EPS 2004E	EPS 2005E	P/E 2003A	P/E 2004E	P/E 2005E	Yield
RKY	O	USD	76.16	98.00	3.5%	4.71	4.73	5.22	16.2	16.1	14.6	1.1%
SPX			1177.45			55.11	66.00	70.00	21.4	17.8	16.8	2.0%

O – Outperform, M – Market-Perform, U – Underperform

Highlights

- We are initiating coverage of Adolph Coors (RKY) with an Outperform rating. Our analysis suggests that the proposed merger between RKY and Molson would result in a $92 intrinsic value per share, 21% above the current market price. On a stand-alone basis, we estimate Coors's intrinsic share value at $74.
- We believe it is more likely than not that Molson shareholders will approve the proposed merger. Although Molson's current share price of C$36 per share is below our estimated fair value of C$41, shareholders will receive C$46 in intrinsic value as a result of the Coors transaction. We do not believe SABMiller is likely to offer more than C$43 per share in a competing bid because of the risk of losing the Coors Canada joint venture.
- Our value creation estimates from the merger are based on an in-depth analysis of the suggested synergies. Our analysis suggests $115 million in savings are possible by year 2, although we are skeptical that further savings can be obtained in year 3. The drivers of our savings estimates are the closure of Coors's Memphis brewery, procurement savings, and overhead reductions.
- On a stand-alone basis, we believe Coors can generate 5.5% annual operating profit growth between 2005 and 2010. This will be driven by strong Coors Light growth in Canada, $15 million in estimated annual savings from the planned new Virginia brewery, and robust volume growth in the U.K..
- On a stand-alone basis, we believe Molson can generate 5.5-6% annual operating profit growth between 2005 and 2010. This will be driven by continued robust pricing in Canada and a gradual turnaround in the Brazilian business. Canadian volumes will likely be flat, however. Without the Brazilian business, we estimate Molson's intrinsic value at C$40 per share, and even if the Brazilian business were to generate another C$1 per share of losses over the next two years, Molson would have the option to walk away from it at that time, implying a floor value of C$39 per share.

Investment Conclusion

Investors in Coors are likely to be rewarded with significant upside if the Molson merger is approved, while the potential downside appears to be limited if the deal falls through. Moreover, we believe it is more likely than not that the deal gets approved by Molson shareholders because Coors's offer provides more than the stand-alone fair value to Molson shareholders. A potential SABMiller counter bid is unlikely to be more valuable than Coors's offer, nor certain, nor likely to be in cash. We recommend that investors buy Coors shares before the January 28 vote by Molson shareholders. Investors should hold on even if the deal is initially voted down, since it is likely that a more acceptable price would be agreed upon with Molson

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

shareholders which would still leave significant upside for Coors. However, we believe the probability of this happening has diminished after Coors's announcement of an increase in the special dividend last night. Only if the transaction is completely off the table should investors reconsider their positions.

Details

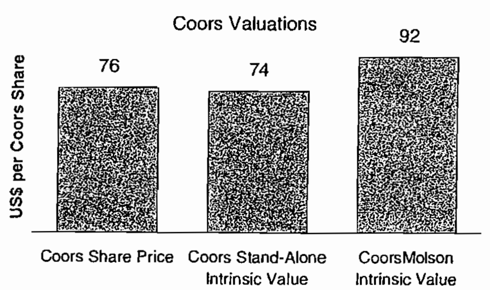
Investors should buy Coors stock in anticipation of the merger being approved

Without the Molson merger, we estimate that Coors's stand-alone intrinsic value is approximately $74 per share, or almost equal to yesterday's closing price. Based on our analysis of the proposed transaction structure, synergy potential, and Molson's prospects, we estimate that the merger as currently conceived will add $18 per share to Coors's value, for a total fair value of $92 per share (**Exhibit 1**). Given the valuations, Coors investors have little downside if the merger does not go through and significant upside if it does.

From the point of view of Molson shareholders, we believe the merger is the optimal value-creation strategy as well, and as a result, we believe it is more likely than not that Molson shareholders will approve the transaction. On a stand-alone basis, we believe Molson is currently undervalued by approximately C$5 per share, as we estimate the company's fair value to be C$41 per share (**Exhibit 2**). This undervaluation is driven by negative sentiment about the large losses in Brazil, and recent weakness in the Canadian beer business. Consummating the transaction with Coors will create more value for shareholders than holding out for the stock to return to its fair value, however. We estimate that the fair value received per Molson share upon completion of the transaction is equal to C$46, 27% above yesterday's closing price and 12% above the company's fair stand-alone value.

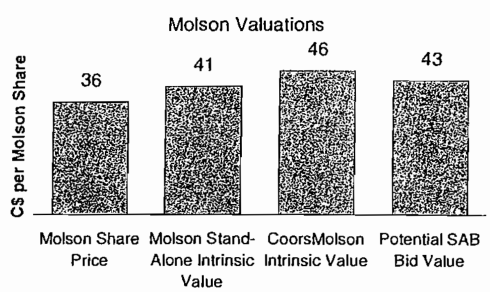
We also believe Molson shareholders are unlikely to achieve a better outcome by holding out for a higher bid by SABMiller or others. If SABMiller were to pay full price for Molson and transfer the entire value creation potential of the deal to Molson shareholders, it still would result in a lower value per share because of the loss of the Coors Canada relationship. Assuming SABMiller could realize similar synergies as Coors, the potential acquisition premium would amount to slightly less than C$8 per Molson share. However, we estimate that the loss of the Coors Canada relationship could diminish Molson's value by as much as C$5.50 per share. That would leave SABMiller with a net C$2 per share to offer as a premium above the fair value, for a total maximum offer of C$43 per share. This is below the value of the Coors offer. In addition, a SABMiller offer is not assured and is highly unlikely to be an all cash deal.

Exhibit 1
Coors shares have significant upside if the merger goes through and little downside if it does not



Source: Bernstein estimates

Exhibit 2
Coors's offer represents the best potential option for Molson shareholders



Source: Bernstein estimates

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Pro forma financial forecast suggests 10% EPS accretion in 2006

Based on our pro forma financial forecast, we expect the merger to be 17 cents dilutive in 2005, and 40 cents accretive to Coors shares in 2006. Based on the nature of the synergies we included in our estimates, we believe nearly 100% of the $115 million run rate savings can be dropped to the bottom line after one year. In the first year of the merger, we have assumed that the SG&A synergies start accruing in Q2, the plant closure synergies start in Q3, and the purchasing synergies start in Q4. This amounts to approximately $53 million of cost savings in FY2005 excluding any restructuring charges. We expect restructuring charges to be in the range of $150-200 million. Note that we have not included the full amount of management's estimates of potential synergies.

Exhibit 3

The merger is expected to be approximately 7% accretive in year 2

Pro Forma Income Statement - CY2005	Coors	Molson	Adjustments	MergeCo
Revenue	4,429	2,068	95	6,592
EBIT	355	419	53	827
Interest Exp/Other	40	74	33	147
Pretax Income	315	345	20	680
Income Tax	100	126	7	233
Net Income BMI	215	219	13	447
Minority Interest	15	(3)	-	11
Net Income	200	222	13	435
Diluted Shares	38.4	129.0	(81.1)	86.3
Diluted EPS	5.22	1.72	(0.16)	5.04
Average Exchange Rate		1.22		
Accretion/(Dilution)				(0.17)

Pro Forma Income Statement - CY2006	Coors	Molson	Adjustments	MergeCo
Revenue	4,497	2,156	95	6,748
EBIT	370	450	115	935
Interest Exp/Other	37	70	31	138
Pretax Income	333	379	84	796
Income Tax	105	139	29	273
Net Income BMI	228	241	55	523
Minority Interest	15	(2)	-	13
Net Income	213	242	55	510
Diluted Shares	39.0	129.0	(81.1)	86.9
Diluted EPS	5.47	1.88	(0.67)	5.87
Average Exchange Rate		1.21		
Accretion/(Dilution)				0.40

Competitive bids unlikely to offer better value for Molson shareholders

One risk for Molson shareholders in accepting the proposed Coors transaction is that it may leave a potentially better offer on the table. SABMiller is purportedly interested in discussing a potential acquisition should the Coors merger fall through. However, we believe it is unlikely that SABMiller could offer Molson shareholders a significantly better deal, unless it is willing to overpay. Any transaction would likely be a stock transaction, as SABMiller does probably not have enough debt capacity to do an all-cash acquisition without lowering its credit rating to junk-status (**Exhibit 4**). However, a change in control of Molson would allow Coors to take back Molson's share in their Canadian joint venture. We estimate that the net present value of this venture for the next 10 years alone is more than C$300 million. Even when Molson's obligations to provide brewing and distribution services for Coors Light would run out after 10 years, the brand may well be large enough to stand on its own. In that case, the value that Molson would be giving up is more than twice as large if Molson cannot take back that market share. This amounts to a value of up to C$5.50 per Molson share (**Exhibit 5**).

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Exhibit 4

SABMiller's debt capacity is not sufficient to fund a 100% cash offer

	SABMiller	Molson	Adjust-ments	Merged	Coors
Year Ending 3/2004					
EBITDA	2,382	539	115	3,036	587
Interest Expense	224	92	236	551	74
Debt	3,094	1,135	3,933	8,162	1,064
Market Cap	15,935	3,858	805	20,598	2,890
Interest Coverage	10.63	5.89		5.51	7.93
Interest Rate	7.2%	8.1%	6.0%	6.8%	7.0%
EV/EBITDA	8.0	9.3	7.0	9.5	6.7
Debt/EBITDA	1.30	2.11		2.69	
Debt/Market Cap	19%	29%		40%	37%
Debt/EV	16%	23%		28%	27%
Credit Rating (S&P)	BBB+ Stable	BBB+ Watch Negative			BBB+ Watch Negative

Source: Company reports; S&P; Bernstein estimates

Exhibit 5

The value of Molson's 50% stake in the Canadian Coors joint venture is as much as C$5.50 per share

C$ MM	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Volume											
EBIT	78	86	79	87	80	88	81	86	82	85	88
Tax	30	33	31	34	31	34	32	33	32	33	34
NOPAT	48	52	48	53	49	54	49	52	50	52	54
Investment	-	-	-	-	-	-	-	-	-	-	4
FCF	48	52	48	53	49	54	49	52	50	52	50
Vol Growth		6.5%	6.5%	6.5%	6.5%	6.5%	5.0%	4.0%	3.0%	2.0%	1.0%
Vol-EBIT Spread		3.5%	3.5%	3.5%	3.5%	3.5%	2.0%	2.0%	2.0%	2.0%	2.0%
WACC	8.3%										
NPV	315										
TV	421										
Total NPV	736										
Diluted Shares	133										
Value per Share	5.54										

Source: Bernstein estimates

Even a more generous offer would leave significant upside for Coors shareholders

Another potential scenario is that Molson shareholders will take issue with the fact that Coors will essentially be capturing a portion of the amount of undervaluation of Molson, even though this would be more than offset by the value of the synergies Molson shareholders would receive in return. If Coors were to further "sweeten" the proposal by agreeing to an increase in the exchange ratio or the special dividend, it would still leave significant upside for Coors shareholders. We estimate that even if Coors were to make up the full C$5 in difference between the current Molson share price and the full fair value of C$41 per share (assuming a turnaround in the Brazilian business which is by no means assured), there would still be US$88 of value for Coors shareholder, or approximately 16% upside. Several scenarios are shown in **Exhibit 6**

Exhibit 6

Even if Coors were to sweeten its offer, there would be substantial upside left for Coors shareholders

Fair Value per Coors Share (US$)

	Exchange Ratio	0.36	0.37	0.38	0.39	0.40	0.41
	Market Value of Coors Paper C$	33.38	34.31	35.23	36.16	37.09	38.02
Special Dividend (C$)	3.26	94	93	91	90	89	87
	5.44	92	90	89	88	86	85
	7.00	90	88	87	86	85	83
	8.00	89	87	86	85	83	82
	9.00	87	86	85	84	82	81
	10.00	86	85	84	82	81	80

Source: Bernstein estimates

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Merger Synergies

Coors and Molson management have targeted $175 million in cost savings from the merger. We believe this estimate is rather aggressive, and our own analysis suggests savings of approximately $115 million. Our primary difference with management's estimates is in year 3 after the completion of the merger, and even with our more modest synergy estimates, the deal will be significantly value creating.

Procurement savings estimates appear high

Between its first iteration and its November 12 proxy statement, Coors increased its estimated savings from joint procurement initiatives from $43 million to $65 million. SG&A and other savings estimates were reduced by an equal amount, keeping the total synergy estimate even at $175 million. We are skeptical that the company can deliver $65 million to the bottom line from procurement savings, however. The primary reason is that as much as two-thirds of the purchased production materials consist of aluminum and glass packaging which are already single-sourced, often through captive joint ventures such as Coors's Rocky Mountain Container Corp located next to its Golden brewery, and typically under long-term contract. For example, at the end of 2003, Coors had $4.3 billion of long-term packaging purchase commitments outstanding. Furthermore, even if Coors or Molson could get out of its long-term commitments, simply "squeezing" suppliers in the concentrated and low margin container business is not an easy feat.

Besides cans and bottles, agricultural materials and paperboard are two other major commodities purchased by brewers. However, agricultural materials such as hops and barley are typically purchased on long-term contracts with growers, which may not be that easy to amend. Moreover, farming margins tend to be slim, leaving little room to negotiate prices down much. In paperboard, Coors already buys virtually all its supplies from its partially family-controlled Graphic Packaging Corporation, which has lost money for five straight years. Again, there appears to be little room for taking margin from this supplier, and a switch to a different supplier appears unlikely given the family connections.

When we exclude these major commodities, we estimate that the combined company buys approximately $400 million of miscellaneous production and overhead materials, including office supplies, travel, etc. This is often a ripe area for savings, but the relatively low total spend base makes it difficult to extract a full $65 million from this area. If the company had not done a major purchasing initiative in several years, it may be possible to reach this target, but Molson just went through a program and Coors has pursued some initiatives as well recently. Our estimate is that the company will be able to achieve approximately 10% savings, or $40 million from its current cost base. The timing of this will likely be heavily weighted to year two (2006) because of various contract expirations, time required to finish negotiations, etc.

Network reconfiguration savings imply closure of Memphis brewery

After procurement savings, network reconfiguration savings of $60 million are the second biggest bucket of synergies identified by Coors and Molson. The size of this savings target suggests that the company is looking to close down a significant chunk of capacity, which appears reasonable given the fact that it has too much capacity even assuming the company's aggressive growth targets (**Exhibit 7**). While the company has been unwilling to mention publicly where it plans to eliminate capacity, it appears most likely that it will shutter its Memphis brewery. The company increased production capacity from 3.8 million barrels to 5 million barrels in 2002 at a cost of $68 million, but we estimate local production volume dropped by nearly a third (between 2000 and 2003) after the decision to increase capacity was already made. In addition, Memphis is the only unionized plant in the Coors U.S. network, and its union contract expires in 2005.

U.S. Beverages

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Exhibit 7
MolsonCoors has excess capacity

MolsonCoors Capacity Analysis			
Coors Breweries	Capacity (mln barrels)	Coors Volumes	
Golden, CO	16.5	Coors US Volume	22.2
Memphis, TN	5.0		
Shenandoah, VA (planned)	6.5		
Total	28.0		22.2
Molson Breweries		Molson Volumes	
Montreal	4.3	Molson Canada Volume*	6.2
Toronto	4.3	Coors Canada Volume	1.6
Vancouver	1.7	Molson USA Volume	1.4
Edmonton	1.0		
St. Johns	0.3		
New Brunswick	0.2		
Total	11.7		9.2
Total Capacity	**39.7**	**Total Volume**	**31.4**
Capacity Utilization	79.2%		

* Excludes imported brands

Source: Company reports; Bernstein estimates

Company officials have talked about potentially moving some U.S. production to Toronto and/or Montreal, but based on our calculations, it appears that there may not be enough capacity in those breweries to absorb the entire output from Memphis. That means that some of the production would need to move to Golden, just as it tries to simplify its operations there. If the Memphis brewery would be shut down, it is difficult to see how this would result in $60 million of savings. The plant employs approximately 500 people, which, at an average estimated cost of $60,000 per year including fringes, would be paid $30 million per year. It seems highly aggressive to assume that none of these jobs would need to be replaced in the breweries which have to absorb the Memphis production volume, however. If we assume that only a quarter of the employees would need to be replaced, the net savings would be $23 million. If we further assume that other expenses such as safety supplies, insurance, security, etc. amount to 50% of wages and fringes, we arrive at an annual cash savings figure of $35 million per year. The closing of the brewery would probably require a significant write-off, because it is highly unlikely that a buyer could be found given the slow growth in the industry. We estimate that such a write-down would be in the range of $125-175 million. This should reduce (or more accurately, accelerate) annual depreciation expenses by $15-20 million per year. In aggregate, that results in an annual savings estimate of $50-55 million, which is close to the company's $60 million target. We did not factor in any capacity additions in Toronto or Montreal in this estimate.

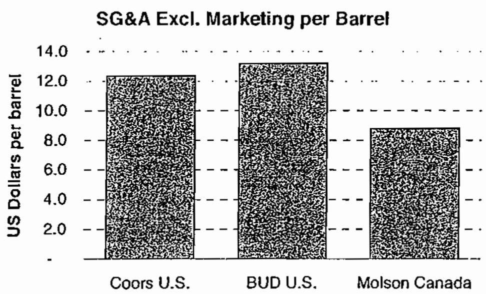
Updated SG&A savings estimate much more reasonable

When it increased its procurement savings estimate from $43 to $65 million, management essentially cut its SG&A savings estimate in half from $47 million to $25 million. We believe the updated figure is a lot more reasonable. According to our estimates, Coors actually has a similar SG&A ratio to sales as Anheuser-Busch which is much larger, while Molson appears to be even leaner (**Exhibit 8**). Therefore, it

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

would seem aggressive to assume that the SG&A ratio (excluding advertising) could be reduced by another full percentage point, which is what the initial estimate amounted to. On a bottom-up basis, it also becomes clear that it is not that easy to take large amounts of money out of the SG&A base given the lack of overlap in the operations (**Exhibit 9**). Based on a rough allocation of SG&A cost by function and savings estimates based on our experience with other CPG M&A transactions, our estimate of potential G&A savings is $20-25 million.

Exhibit 8
Molson and Coors are already reasonably efficient in SG&A spending



Source: Bernstein estimates

Exhibit 9
SG&A synergies are likely to amount to $20-25 million

Illustrative Example of Potential SG&A Cost Savings (High level estimates only)

Cost Base	
Coors U.S.	250
Coors Corporate	27
Molson Canada	77
Total	354

Functions	Coors FTE	Molson FTE	Cost	Savings	$ Saved	Rationale
Distributors	100	-	13			No overlap
Field Sales Force	525	100	78			No overlap
Marketing	558	198	91			No overlap
Molson USA	60	11	9	65%	5.8	Fold into existing organization, cut by 65%
Finance - Treasury	10	5	2	24%	0.5	Cut smallest one by 80%
Finance - Reporting/Accounting	250	100	43	10%	4.3	Save on consolidated reporting, not divisional
Finance - IR	7	5	1	31%	0.5	Cut smallest one by 80%
Corporate Development	25	10	4	5%	0.2	Busy with integration for now, cut management only
Technical services	100	50	18	15%	2.8	Cut smallest one by 50%
R&D	50	20	9	21%	1.8	Cut smallest one by 80%
IT	200	100	37	5%	1.8	Busy with integration for now, cut management only
Legal	100	50	18	5%	0.9	Different jurisdictions, cut management only
HR	75	25	12	5%	0.6	Different jurisdictions, cut management only
Senior Management	10	10	17	15%	2.7	Cut one CFO, chief legal, chief HR, chief ops
Total SG&A	2,070	684	354	6%	21.9	

Source: Bernstein estimates

IT savings may be challenging to realize

The final bucket of synergies consists of $25 million in savings from the integration of the two companies' IT platforms. We are skeptical about the size of this savings opportunity given the cost and difficulty of this process. Coors's operational hiccups in Q4 2003 associated with its new order fulfillment systems

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

highlight the risks associated with large-scale systems projects. Both Molson and Coors have already invested significantly in new systems recently, so it is difficult to see where such a large savings amount would come from. Coors spent $43 million on capital for software in 2003 alone, and it signed a new 7 year agreement with EDS on January 1, 2004, to manage all its IT operations in the Americas and Europe. Given that Molson's operations are much smaller, it appears highly unlikely that the combined company can reduce run-rate costs by $25 million per year in this context. In our forecasts, we are not giving the company credit for these savings.

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Coors Projections

Coors stand-alone valuation assumes a 5.5% operating profit growth rate from 2005 through 2010

Our analysis suggests that Coors is capable of growing operating profits at an annual rate of 5.5% per year over the long run, driven by robust growth in Canada and the U.K., and slow growth in the U.S. (**Exhibit 10**). We believe management's targets of 2-3% volume growth and $100 million of stand-alone cost savings for the U.S. business are far too aggressive, and we forecast 0-0.5% volume growth and only 60 b.p. of margin expansion between 2005 and 2010. The U.K. business should be able to produce robust 3%+ volume growth, but pricing pressure in off-trade channels will limit the opportunity for margin expansion in that market. Canada is a fast growing and highly profitable business for Coors (and Molson), with margins far above those of the rest of the business. EBIT for this business is expected to grow at a 10% rate, although this growth may be held back somewhat if the merger is not consummated.

Exhibit 10
On a stand-alone basis, Coors is expected to grow operating profits by 5.5% per year

Coors Stand-Alone Growth Projection	U.S.*	U.K.	Canada	Total**
Volume	0.5%	3.5%	6.5%	1.6%
Pricing	2.0%	-2.0%	2.5%	0.6%
Revenue	2.5%	1.5%	9.0%	2.2%
EBIT	4.5%	4.5%	10.0%	5.5%

* Includes corporate expenses
** Canada EBIT reported in revenue

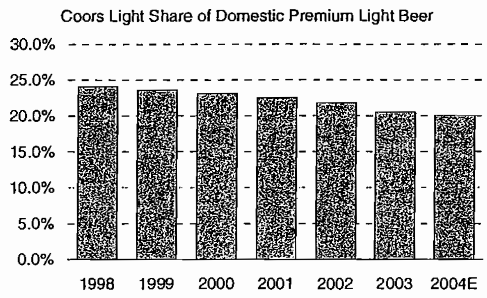
Source: Bernstein estimates

Coors's revenue expectations for the U.S. business are too aggressive

In its November 2004 outlook for "MergeCo", Coors outlined its goal of growing U.S. beer volumes by 1-2% points over the market, for a total of 2-3%. We believe this goal is far too aggressive. We expect the U.S. beer market to grow at only 0.5% per year, and although Coors benefits from an advantaged portfolio skew toward premium light beers, it has consistently lost market share in this critical segment over the past five years (**Exhibit 11**). Given the strength of Anheuser-Busch, and the recent resurgence of Miller Lite (**Exhibit 12**), we believe it is difficult for Coors to reverse this trend. Our research suggests that Coors Light skews towards older drinkers, and its younger drinkers are less loyal than Bud Light or Miller Lite, leaving it vulnerable to attack (**Exhibit 13** and **Exhibit 14**). Our forecast is therefore that Coors's advantaged skew towards the light beer segments will be offset by further share losses, leaving Coors volumes flat to up 0.5% per year. Combined with relatively benign industry pricing of approximately 2-2.5% per year, this should drive U.S. revenue growth of 2-3% per year.

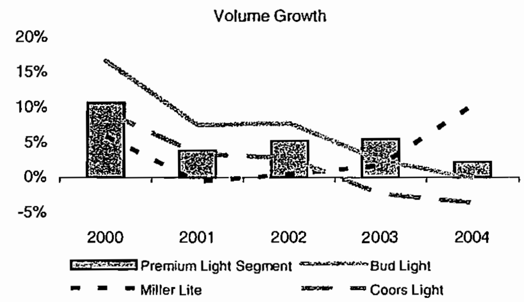
Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Exhibit 11
Coors Light has lost share among premium light beers



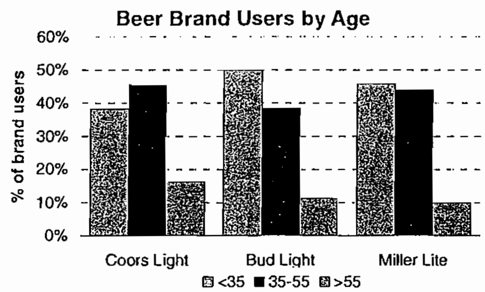
Source: Beer Marketer's Insights

Exhibit 12
Coors Light no longer benefits from Miller Lite's troubles



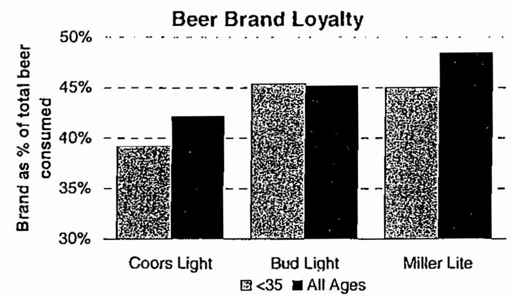
Source: IRI Food

Exhibit 13
Coors Light drinkers skew older than Bud Light or Miller Lite



Source: MRI 2004 DoubleBase

Exhibit 14
Coors Light's younger drinkers tend to be less loyal users of the brand



Source: MRI 2004 DoubleBase

Coors has also announced an ambitious plan to deliver $100 million in annual cost savings in the U.S.. This initiative was originally designed to help Coors close part of its cost disadvantage compared to rivals Anheuser-Busch and SABMiller. According to Coors, it faces an $8 per barrel cost disadvantage versus Anheuser-Busch and a $12 cost disadvantage compared to SABMiller. The savings initiatives could purportedly close $4-5 of this gap. Based on our high-level bench-marking of Coors's U.S. operations against those of Anheuser-Busch, we believe it will be difficult to cut costs that much without the merger synergies discussed below.

The two main reasons why Coors is at a cost disadvantage to Anheuser-Busch are shipping cost and advertising cost, while COGS and SG&A appear to be in line at the surface (**Exhibit 15**). Higher shipping costs are due to the company's reliance on its one major brewery in Colorado compared to a more distributed brewing network for Anheuser-Busch. Higher marketing expenses are due to Coors's smaller scale. The planned new brewing capacity in Virginia should alleviate some of the shipping cost disadvantage, but the marketing disadvantage can only be fixed through market share gains, which we believe are unlikely.

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Exhibit 15
Coors's main cost disadvantages are in shipping and advertising while other expenses appear in-line

Comparison of U.S. Operations
$ per barrel

	Coors	Anheuser-Busch	Difference
Revenue	106	107	(1)
Freight	7	-	7
Depreciation	6	6	(1)
Other COGS	54	53	0
Gross Profit	40	47	(8)
Advertising	21	7	14
SG&A	12	13	(1)
EBIT	6	27	(21)

Source: Bernstein estimates

New East Coast brewing capacity will lower freight cost but increase depreciation

Coors has announced plans to build a brewery at its current Shenandoah, Virginia, packaging facility. The company currently ships Coors Light and Keystone Light brewed at its Golden brewery via railcar and truck to Shenandoah to be packaged. The 6-7 million barrels of new brewing capacity in Shenandoah should reduce bulk transportation cost by an estimated $20-25 million per year. The company also expects that it can save on labor cost as it plans to staff the new brewery with only 10 people while reducing its Golden workforce by 30-40. This estimate strikes us as somewhat aggressive given that the brewing stage of the process tends to be the least labor intensive, even in Golden. Although the company should be able to replace some of its labor-intensive cotton-pad filters with more efficient ones, it is difficult to see how this would eliminate 20-30 positions. We estimate that increased labor productivity could add just $1 million to the savings.

The savings will be offset by increased depreciation expenses, however. Coors estimates that the new brewery will cost $160-190 million to build. Assuming an average depreciable life of 15 years for the facility, the associated depreciation expense should be $11-13 million per year. Although building the new brewery could potentially avoid some capital upgrades in Golden, depreciation expenses should rise nonetheless. As a result, we expect that the impact of the new brewery on the company's operating profits is likely to be in the range of $10-15 million, and not as high as the $25 million claimed by the company.

Other cost savings are unlikely to close the gap

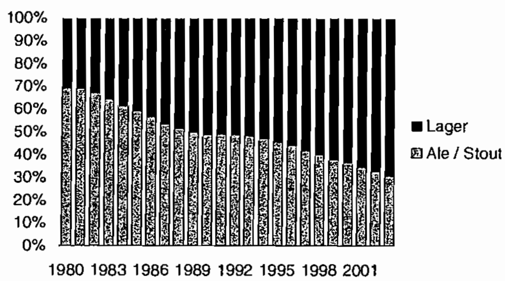
Besides the reduction in freight cost, we do not believe that there is $75 million of incremental cost savings ($3 per barrel) to be dropped to the bottom line. Our benchmarking above shows that Coors is already competitive with Anheuser-Busch on everything else except for marketing expense, which suggests that any cost savings Coors realizes will probably also be realized by its competitors, keeping the gap constant. Such savings are necessary in the ordinary course of business to offset inflationary pressures, and in a competitive industry will likely be passed on to customers and consumers over time. Combining the 2-3% top line growth with the $10-15 million of expected cost savings, we estimate that the U.S. operating profit growth rate will average 4-5% per year between 2005 and 2010.

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

The U.K. business can deliver 4-5% long-term operating profit growth

Coors's U.K. business is well positioned to deliver robust 3-3.5% volume growth. This growth will be driven by the switch from ales to lagers in the U.K., and Coors's strong skew towards the lager segment with its Carling brand. In 2003, lagers represented almost 70% of total U.K. beer volumes, a dramatic increase from 31% in 1980 and 51% in 1990 (**Exhibit 16**). Two trends are holding back revenue and gross profit growth, however. First is the switch from on-premise accounts (pubs and restaurants) to take-home channels (supermarkets in particular), and second is the loss of factored brand sales to pubs. According to our mix modeling, these trends are expected to hold gross profit growth to just 3.5%, despite solid price increases in the pub channel (**Exhibit 17**). Coors should be able to hold the line on SG&A expenses, however, as the cost to serve the supermarket channel is much lower than the pub channel. For pubs, Coors needs to provide a much larger sales force, and it needs to provide and service the dispensing equipment. If Coors can keep SG&A expense growth to 3% per year, it should be able to leverage the 3.5% gross profit growth to approximately 4.5% operating profit growth.

Exhibit 16
The UK is shifting towards lighter beers



Source: BBPA

Exhibit 17
Coors is well positioned to take advantage of the shift towards lagers

Coors U.K. Volume Projection	2004	2009	CAGR
Beer Industry	60,301	61,824	0.5%
Lager Share	71.0%	79.0%	
Lagers	42,814	48,841	2.7%
Coors Lager Share	24.0%	27.0%	
Coors Lager	10,275	13,187	5.1%
Ale & Stout Share	29.0%	21.0%	
Ale & Stout	17,487	12,983	-5.8%
Coors Ale Share	10.4%	8.0%	
Coors Ale/Other	1,825	1,039	-10.7%
Total Coors	12,100	14,226	3.3%
Total Coors Share	20.1%	23.0%	

Source: Bernstein estimates

Exhibit 18
Mix shifts are expected to keep gross profit growth to approximately 3.5% in the U.K.

	2003				2008				CAGR			
	Kegs	Cans/ Bottles	Factored	Total	Kegs	Cans/ Bottles	Factored	Total	Kegs	Cans/ Bottles	Factored	Total
Volume	6.5	3.8	-	10.3	7.0	5.1		12.1	1.5%	6.1%		3.3%
Revenue/barrel	107	96		154	118	101		140	2.0%	1.0%		-2.0%
COGS/barrel	59	66		108	64	71		93	1.5%	1.5%		-3.0%
Gross Profit/barrel	48	30	-	46	55	30		47	2.6%	-0.1%		0.2%
Total												
Revenue	696	365	530	1,591	828	516	349	1,693	3.5%	7.2%	-8.0%	1.3%
COGS	385	250	478	1,113	447	362	315	1,124	3.0%	7.7%	-8.0%	0.2%
Gross Profit	311	115	52	478	381	154	34	569	4.1%	6.0%	-8.0%	3.5%
Gross Margin	44.7%	31.5%	9.8%	30.0%	46.0%	29.8%	9.8%	33.6%				

Source: Bernstein estimates

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

The Canadian business has performed extremely well and we expect it to continue to grow

Coors's joint venture with Molson to sell Coors Light in Canada has been very successful. Coors Light's market share in Canada has grown from 5.8% to 8.7% between 1999 and 2004E, and operating profits for the business have grown at nearly 20% per year in Canadian dollar terms and more in US dollars (**Exhibit 19** and **Exhibit 20**). We believe the same secular trends that have driven light beer consumption in the U.S. will continue to boost the segment in Canada. Coors Light is far ahead of its rivals in this segment of the market, and we believe it will be able to maintain its leadership position. Given the very high operating profit margin of nearly 40% at this time, we do not expect that operating profit growth will continue to outpace volume growth by a wide margin over the next five years. Our forecast calls for 6.5% volume growth and 10% operating profit growth over the next five years.

Exhibit 19
Coors Light has achieved 8.7% market share in Canada

Canadian Beer Market Volume Shares	1999	2000	2001	2002	2003	2004E
Molson	41.9%	41.0%	41.3%	39.6%	39.3%	37.8%
Coors	5.8%	6.8%	7.1%	7.9%	8.4%	8.7%
Labatt	42.9%	43.5%	43.1%	44.5%	44.6%	44.4%
Sleeman	2.6%	4.8%	4.8%	5.3%	5.9%	6.3%
Other	6.8%	3.9%	3.7%	2.7%	1.9%	2.9%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company reports; Bernstein estimates

Exhibit 20
Local currency operating profits for the joint venture have grown at nearly 20% per year for the past five years

Coors Canada Profit Growth (100% of JV)	1999	2000	2001	2002	2003	2004E
US$ EBIT	43	51	58	74	95	119
Exchange rate	1.49	1.49	1.55	1.57	1.40	1.31
C$ EBIT	64	76	91	116	133	156
Growth		18%	20%	28%	14%	17%

Source: Company reports; Bernstein estimates

Coors stand-alone 2005 EBIT is expected to grow by 6.6%, delivering EPS of $5.22

For FY2005, we expect Coors to grow its operating profits by 6.6% and deliver EPS of $5.22. This is in the middle of the consensus range of $5.00-5.47 and slightly below the mean consensus estimate of $5.31. Although volume comparisons in the U.S. are not difficult after STWs declined 0.8% in 2004, we do not expect a major rebound in 2005. Coors will be lapping the introduction of its Aspen Edge brand which has failed to gain traction, and in the second half of the year it will be lapping the introduction of several new Zima brands. As a result, we expect positive price mix to turn negative in the second half of the year. Although pricing is expected to remain healthy, Anheuser-Busch's attempts to close the price gap with Miller by spending more on promotions will also put some pressure on Coors to hold the line on price increases. This will make it more difficult to offset commodity cost pressures which will be weighing on the industry in 2005. Coors will be able to cut advertising spending on Aspen Edge in 2005, as we do not expect the brand to receive much if any support this year. However, this money will have to be redirected to Coors Light (and potentially Killians) to ward off the competitive pressures from Bud Light and Miller Lite. Based on these dynamics, we expect flat U.S. volumes, 2.3% U.S. revenue growth, and 1.9% U.S. operating profit growth in 2005.

The Canadian business is expected to have another solid year in 2005, although competition from value brands may hold down pricing a bit this year. Currency will also continue to benefit Coors in this part of the business, and we forecast U.S. dollar operating profit growth of nearly 18%. In the U.K., Coors will benefit from lapping the effects of a cold rainy summer last year. As a result, we expect volume growth to rebound to a strong 3.8% in 2005. Pricing will be less favorable, however, as the company will no longer be lapping a period of heavy discounting as it did in 2004. The loss of factored brand volumes will also continue to weigh on revenues. Strong volume growth should translate into solid operating profit growth of 6.7% on a local currency basis, which translates to 8.2% on a U.S. dollar basis.

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Molson Projections

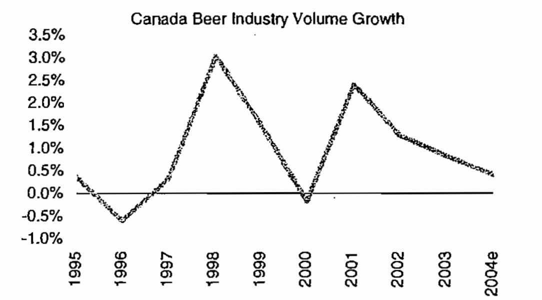
Molson's stand-alone business can deliver 5.5-6% operating profit growth

The Canadian beer market is structurally attractive, with decent growth, high brewer concentration, significant barriers to entry, and regulations that make it easy to take pricing. Over the past ten years, Molson has leveraged its pricing power and cost reduction programs into impressive profit and margin growth, and margins are now more reflective of the structural attractiveness of the Canadian beer market. However, we expect the growth equation to change for the next five years as most of the low-hanging fruit in terms of cost reductions has already been picked and the market share losses of the company's wholly-owned brands will start to become a drag on results. In addition, Molson's Brazilian business has become a major distraction, racking up major losses over the past three quarters. Although we believe it will be possible to stem some of the red ink in the near-term, the business remains structurally disadvantaged versus its competitors in Brazil. We believe Molson on its own can deliver 5.5-6% operating profit growth between 2005 and 2010, driven by 4% operating profit growth in Canada plus the benefits of stemming the losses in Brazil.

The Canadian beer market is structurally attractive

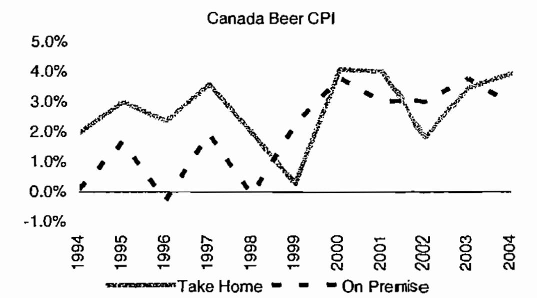
Volumes in the Canadian beer market have been growing at 0.9% per year over the five and ten years ending 2004 (**Exhibit 21**). Based on our analysis, we expect beer industry volumes to continue to grow over the next five years, although at a slightly lower 0.7% pace per year. This is a reasonably healthy pace compared to the U.S. market, which we expect to grow at less than 0.5% per year. The growth over the past five years was achieved despite aggressive annual price increases of 3.4% off-premise and 3.3% on-premise between 1999 and 2004 (**Exhibit 22**). By contrast, core CPI in Canada rose at an average rate of 2.0% during this period. The industry has been able to take high price increases due to several structural factors. First, the industry is effectively a duopoly, which makes it easy to maintain industry pricing discipline. Second, there are major barriers to entry due to the fact that the two major brewers control a significant portion of the distribution. This is one of the reasons why most foreign beer brands have opted to go through one of the two major brewers, including Budweiser, Coors Light, Corona, and Heineken. Third, retailers in many provinces are either brewer controlled or government controlled, ensuring there is little downward pressure on prices from customers. And, finally, high excise taxes which are fixed on a volume basis mute the effect of underlying brewer price increases.

Exhibit 21
Canadian beer volumes have grown at a relatively healthy 0.9% pace over the past decade



Source: Brewers of Canada

Exhibit 22
Canadian beer prices have risen rapidly over the past five and ten years



Source: Statistics Canada

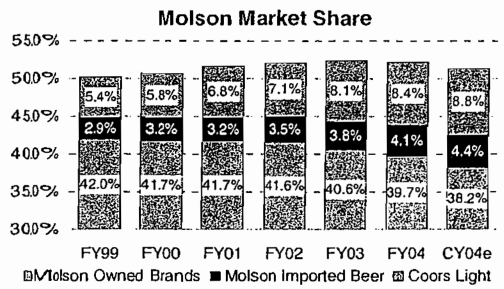
Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Molson is losing market share

One of the biggest challenges facing Molson is that it is losing market share. Its owned portfolio of brands has lost almost 4 points of market share over the past five years, as Canadians (like Americans) have shifted to light beers and imports (**Exhibit 23**). While Molson participates in both these segments, it does so through licensed brands on which it has to share the profits. For example, when it sells a hectoliter of its own brands, it earns C$55 on average, whereas when it sells a hectoliter of Coors Light it only earns C$40 on average (assuming its share of the profits is approximately equal to Coors's share). Until FY2002 (ending March 2002), Molson's half of the Coors Light business was sufficient to offset the share losses in the rest of its portfolio, but since that time Coors Light growth has not been sufficient to do so. In addition to Coors Light and imports, Molson's market share losses have been driven by dark beers in which Molson has a low market share, and by discount beers, particularly in Ontario and Alberta. Molson has its own discount brands which it uses as fighter brands, but this will lead to further negative mix shifts.

Exhibit 23

Molson's own brand portfolio is losing market share



Source: Company reports; Euromonitor; Bernstein estimates

Molson stand-alone Canadian business volumes expected to remain flat for next five years

Including its 49.9% share of the Coors Light business, we expect Molson to lose another full point of market share over the next five years based on its skew towards the declining premium regular segment. This should translate into flat volumes, which will make it difficult to leverage fixed costs in the business. While continued robust pricing could provide some margin expansion opportunities, we believe the growth in the value segment is evidence of increasing consumer resistance to outsized price increases. As a result, we expect the Canadian brewers to moderate their price increases compared to the past five years. With net price realization of 3% per year (compared to 4.4% between FY99 and FY04), we forecast that the stand-alone Canadian business can deliver approximately 4% annual operating profit growth.

Molson's Brazilian business will be difficult to fix

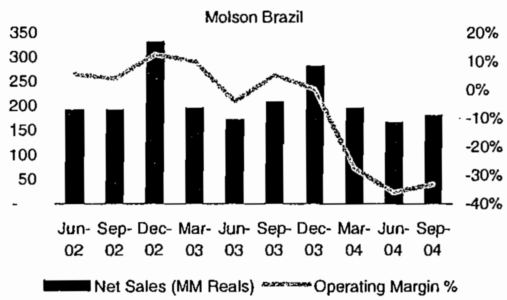
Molson has struggled in Brazil since purchasing Kaiser in 2002. Its market share has fallen precipitously from 18% in 2002 to almost 10% today. With 23.9MM HL of production capacity in Brazil, utilization for the past four quarters was only 40%. Molson's problems have been compounded by its decision to build out a dedicated sales force team instead of relying on the Coca-Cola bottlers to handle both the sales and distribution functions. It hired over 1200 sales people by early 2004, raising its total number of employees to 3200 and adding 100MM reals to its annual fixed cost base. The negative operating leverage from

US Beverage

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

falling revenues and rising costs decimated profitability, as Kaiser suffered over 170MM reals of operating losses on sales of 826MM over the past four quarters (**Exhibit 24**).

Exhibit 24
Molson has suffered -30% operating margins in Brazil the past several quarters



Molson's is trying to lower its breakeven point now, and we estimate it can realize about 90-110MM reals in cost savings (**Exhibit 25**). It is scaling back its direct sales force, giving the sales responsibility back to the Coke bottlers in areas where it has a smaller presence. We estimate Molson can realize approximately 30-40MM from rationalizing its sales force, assuming it cuts its staff by half. We note that some of the savings from cutting sales people will be offset by paying the Coke bottlers for taking back the sales function. We also estimate it can save about 10-20MM reals from its already announced plan to shut down its Rio brewery, which will remove 3.9MM HL of capacity from the system. Finally, the company has indicated that it should realize another 50MM from its "Project 200" productivity initiative.

Our estimated 90-110MM reals in cost savings still leaves a 60-80MM profitability gap compared to the 170MM in operating losses over the past four quarters. Molson could potentially close another 30MM of this through its recent 4% price increases if costs can be held flat, leaving the remaining gap to be closed through volume growth. Assuming a 50% marginal contribution on incremental volumes, Molson will have to grow volumes 8-12% to reach breakeven (**Error! Reference source not found.**). While this is an aggressive target, Molson may benefit from several factors. First, the Coke bottlers will be able to reach many more points of distribution than Molson's direct sales force, which may result in incremental volumes. In addition, Molson recently re-launched its Kaiser brand with new taste, packaging, and advertising, which could improve consumer demand. Finally, Brazil's economy, and the beer category with it, appear to be recovering from a slump over the last few years. On the other hand, the assumption that costs can be held flat is rather aggressive given current inflationary pressures in global commodities.

Exhibit 25
We estimate that Molson could realize an additional 90-110 MM reals in cost savings

Trailing 4Q Op. Loss (BRZ MM)	**170**
Total Cost Savings	90-110
Sales force rationalization	30-40
Closing Rio brewery	10-20
"Project 200" savings	50
Cost Savings Gap	**60-80**

Source: Bernstein estimates

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

However, Molson will face significant competitive challenges even if it does reach breakeven levels. It will continue to suffer from overcapacity, as utilization will be only ~50% even after shutting down the Rio plant. While the easiest answer is to close more breweries, this could force Molson to exit certain geographies, as it needs a widespread brewery network to offset expensive transportation costs. In addition, competitive pressure from the dominant InBev will only increase as it makes steady improvements to its own operations, including a consolidation of its distributors and sales force. Given its relative disadvantages, we expect Molson to underperform the overall Brazilian beer market, growing long-term volumes 2% (versus ~3% for the industry), while maintaining operating margins in the low single-digits at best.

If Molson can bring the Brazilian business back to slightly above break-even over the next five years, it would boost its operating profit growth from 4% for the Canadian business alone to 5.5-6% for the total worldwide business. We estimate that Molson's Canadian business alone is worth C$40 per share based on our projection for CY2005 performance and a long-term operating profit growth rate of 4%. Including the Brazilian business, we estimate that Molson's value is C$41 per share, implying a value of just C$1 per share, or C$130 million for this business. Should Molson be unable to fix the business, we would anticipate that it could sell it for at least a nominal amount, or otherwise shut it down. We do not anticipate that the business will destroy C$4 per share, which is what is currently priced into the stock.

In CY2005, Molson should rebound modestly from a challenging 2004

We forecast operating profit growth of 16% in Canadian dollar terms for Molson in CY2005. Much of this will be driven by a reduction is losses in Brazil, whereas Canadian operating profit growth will be a modest 1.9%, driven principally by Molson's half of the Coors Light JV. The growth of discount brands which put significant pressure on 2004 results should continue to limit Molson's ability to take outsize price increases in 2005. However, the troubles in the summer of 2004 will make for very easy volume comparisons in CY2005, and we expect the share losses to halt in 2005. In Brazil, the closure of the Rio brewery and the rationalization of the sales force should provide immediate benefits to the bottom line. The wild card is what volumes will do after the transition back to the Coca-Cola bottling system and the relaunch of the Kaiser brand. Given that the Brazilian economy appears to be picking up some steam and the easy volume comparisons, we have built in ~4.5% volume growth for 2005. Much of this will be driven by increased points of distribution through the Coca-Cola system. Molson's Brazilian management recently commented that it expects volume growth of 12% this year and a return to break-even levels. We are not quite as optimistic, but as a result of the above actions, we do expect losses in Brazil to be reduced from an estimated 207 million reals in 2004 to 72 million reals in 2005. Our forecast for Molson translates into an EPS estimate of C$2.12 for FY06 (ending March 31, 2006), which is roughly in line with consensus of C$2.14.

Valuation Methodology

We valued Coors, Molson, and MolsonCoors using a discounted cash flow methodology focused on long-term operating profit growth and marginal returns on invested capital. Our analysis suggests a stand-alone value of US$74 per share for Coors and C$41 per share for Molson's class A voting shares. The combined MolsonCoors entity is valued at US$92 per share, which at a 0.36 exchange ratio plus the special dividend, is equivalent to C$46 per Molson share. It is important to note that the valuation for Coors is held back significantly by very high underfunded pension liabilities. This liability amounts to $14-15 per Coors share. Details of the valuation analyses are shown on the next few pages. Our $98 target price was derived by taking the $92 intrinsic value today, assuming the merger goes ahead, and rolling it forward one year at the cost of equity less projected dividend yield.

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Exhibit 26

We estimate that Coors stand-alone is fairly valued at US$74 per share

Coors Stand Alone Valuation

Dates		**Perpetuity Stage DCF**	
Valuation Date	1/13/05	Starting Cash Flow	318
First full year	2005	Growth Rate	*3.5%*
Portion of year 1 elapsed	4%	Marginal ROIC	*14.5%*
		Spread	*5.7%*
		WACC beyond year 10	*8.8%*
First Stage Assumptions		NPV Perpetuity Value	2,520
EBITA (2005)	378		
Effective cash tax rate	32.0%	Total NPV	4,245
Starting NOPAT	257	Timing Adjustments	178
Reinvestment	71	Enterprise Value	4,423
Cash Flow	186	Debt	(1,064)
Number of Years in Period	5	Value of Equity Investments	
Length of Fade	5	Value of Tax Deferrals	-
Growth Rate	5.5%	Underfunded pension plans	(554)
Marginal ROIC	20.0%	Equity Value	2,805
WACC	8.3%	# shares	38
		Value per Share	74
		FY05 EPS Estimate (Bernstein)	5.22
		FY1 PE	14.1x

Explicit Period Assumptions

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
NOPAT	257	271	286	302	318	336	349	363	377	391	405
Reinvestment	71	75	79	83	88	67	68	69	70	70	98
Cash Flow	186	197	207	219	231	269	281	294	307	320	307
Growth Rate		*5.5%*	*5.5%*	*5.5%*	*5.5%*	*5.5%*	*4.0%*	*3.9%*	*3.8%*	*3.7%*	*3.6%*
Marginal ROIC	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*	*20.0%*
WACC	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*
NPV	172	168	163	159	155	167	161	156	150	145	128
Sum Explicit Period	1,725										
Tangible Invested Capital	2,029	2,104	2,182	2,265	2,353	2,420	2,488	2,557	2,627	2,697	2,795
Tangible ROIC	12.7%	12.9%	13.1%	13.3%	13.5%	13.9%	14.0%	14.2%	14.3%	14.5%	14.5%

Share Price Sensitivity

5 Year NOPAT Growth	Marginal ROIC 10%	15%	20%	25%	30%
4.0%	58	65	69	71	72
4.5%	59	66	70	73	74
5.0%	59	68	72	74	76
5.5%	60	69	74	76	78
6.0%	61	70	75	78	80
6.5%	62	72	77	80	82
7.0%	62	73	79	82	84
7.5%	63	75	80	84	86
8.0%	64	76	82	86	88
8.5%	65	78	84	88	91

P/E Sensitivity

5 Year NOPAT Growth	Marginal ROIC 10%	15%	20%	25%	30%
4.0%	11.1	12.5	13.2	13.6	13.8
4.5%	11.3	12.7	13.5	13.9	14.2
5.0%	11.4	13.0	13.8	14.3	14.6
5.5%	11.5	13.2	14.1	14.6	15.0
6.0%	11.7	13.5	14.4	15.0	15.3
6.5%	11.8	13.8	14.7	15.3	15.7
7.0%	11.9	14.0	15.1	15.7	16.1
7.5%	12.1	14.3	15.4	16.1	16.5
8.0%	12.2	14.6	15.8	16.5	16.9
8.5%	12.4	14.9	16.1	16.9	17.4

Share Price Sensitivity

5 Year NOPAT Growth	Terminal Growth 2.5%	3.0%	3.5%	4.0%	4.5%
4.0%	63	66	69	72	77
4.5%	65	67	70	74	79
5.0%	66	69	72	76	81
5.5%	68	70	74	78	82
6.0%	69	72	75	79	84
6.5%	71	74	77	81	86
7.0%	72	75	79	83	88
7.5%	74	77	80	85	90
8.0%	76	79	82	87	92
8.5%	77	80	84	89	94

P/E Sensitivity

5 Year NOPAT Growth	Terminal Growth 2.5%	3.0%	3.5%	4.0%	4.5%
4.0%	12.1	12.6	13.2	13.9	14.7
4.5%	12.4	12.9	13.5	14.2	15.1
5.0%	12.7	13.2	13.8	14.5	15.4
5.5%	12.9	13.5	14.1	14.9	15.8
6.0%	13.2	13.8	14.4	15.2	16.1
6.5%	13.5	14.1	14.7	15.5	16.5
7.0%	13.8	14.4	15.1	15.9	16.9
7.5%	14.1	14.7	15.4	16.2	17.3
8.0%	14.5	15.1	15.8	16.6	17.7
8.5%	14.8	15.4	16.1	17.0	18.1

Share Price Sensitivity

Terminal Value ROIC-WACC Spread

P/E Sensitivity

Terminal Value ROIC-WACC Spread

U.S. Beverages

Source: Bernstein analysis

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Exhibit 27

We estimate that Molson stand-alone is fairly valued at C$41 per share

Molson Stand Alone Valuation

In Canadian dollars

Dates		**Perpetuity Stage DCF**	
Valuation Date	1/13/05	Starting Cash Flow	497
First full year	2005	Growth Rate	*3.5%*
Portion of year 1 elapsed	4%	Marginal ROIC	*34.8%*
		Spread	*26.0%*
		WACC beyond year 10	*8.8%*
First Stage Assumptions		NPV Perpetuity Value	3,946
EBITA (2005)	517		
Effective cash tax rate	35.0%	Total NPV	6,565
Starting NOPAT	336	Timing Adjustments	275
Reinvestment	48	Enterprise Value	6,840
Cash Flow	288	Debt	(1,193)
Number of Years in Period	5	Value of Equity Investments	
Length of Fade	5	Value of Tax Deferrals	-
Growth Rate	5.7%	Underfunded pension plans	(255)
Marginal ROIC	40.0%	Equity Value	5,392
WACC	8.3%	# shares	133
		Value per Share (C$)	$\boxed{41}$
		CY05 EPS Estimate (Bernstein)	2.09
		FY1 PE	19.4x

Explicit Period Assumptions

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
NOPAT	336	355	375	397	419	443	461	479	497	516	534
Reinvestment	48	51	54	57	60	44	45	46	46	46	54
Cash Flow	288	305	322	340	360	399	416	434	451	469	480
Growth Rate		*5.7%*	*5.7%*	*5.7%*	*5.7%*	*5.7%*	*4.0%*	*3.9%*	*3.8%*	*3.7%*	*3.6%*
Marginal ROIC	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*	*40.0%*
WACC	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*
NPV	266	260	254	248	242	248	239	230	221	212	201
Sum Explicit Period	2,619										
Tangible Invested Capital	1,020	1,071	1,124	1,181	1,240	1,285	1,330	1,375	1,421	1,468	1,521
Tangible ROIC	32.9%	33.2%	33.4%	33.6%	33.8%	34.5%	34.7%	34.8%	35.0%	35.1%	35.1%

Share Price Sensitivity

5 Year NOPAT Growth	Marginal ROIC 20%	30%	40%	50%	60%
4.0%	35	37	37	38	38
4.5%	36	38	38	39	39
5.0%	37	38	39	40	40
5.5%	38	39	40	41	41
6.0%	38	40	41	42	42
6.5%	39	41	42	43	43
7.0%	40	42	43	44	44
7.5%	41	43	44	45	45
8.0%	42	44	45	46	46
8.5%	42	45	46	47	47

P/E Sensitivity

5 Year NOPAT Growth	Marginal ROIC 20%	30%	40%	50%	60%
4.0%	17.0	17.6	17.9	18.1	18.2
4.5%	17.3	18.0	18.4	18.6	18.7
5.0%	17.7	18.4	18.8	19.0	19.2
5.5%	18.0	18.8	19.2	19.5	19.6
6.0%	18.4	19.2	19.7	19.9	20.1
6.5%	18.7	19.7	20.1	20.4	20.6
7.0%	19.1	20.1	20.6	20.9	21.1
7.5%	19.5	20.5	21.1	21.4	21.6
8.0%	19.9	21.0	21.5	21.9	22.1
8.5%	20.3	21.4	22.0	22.4	22.6

Share Price Sensitivity

5 Year NOPAT Growth	Terminal Growth 2.5%	3.0%	3.5%	4.0%	4.5%
4.0%	33	35	37	40	43
4.5%	34	36	38	41	44
5.0%	35	37	39	42	45
5.5%	36	38	40	43	46
6.0%	37	39	41	44	48
6.5%	38	40	42	45	49
7.0%	38	41	43	46	50
7.5%	39	41	44	47	51
8.0%	40	42	45	48	52
8.5%	41	43	46	49	53

P/E Sensitivity

5 Year NOPAT Growth	Terminal Growth 2.5%	3.0%	3.5%	4.0%	4.5%
4.0%	16.0	16.9	17.9	19.2	20.7
4.5%	16.4	17.3	18.4	19.6	21.2
5.0%	16.8	17.7	18.8	20.1	21.7
5.5%	17.2	18.1	19.2	20.6	22.2
6.0%	17.6	18.5	19.7	21.0	22.7
6.5%	18.0	19.0	20.1	21.5	23.3
7.0%	18.4	19.4	20.6	22.0	23.8
7.5%	18.8	19.8	21.1	22.5	24.4
8.0%	19.2	20.3	21.5	23.0	24.9
8.5%	19.7	20.7	22.0	23.6	25.5

Source: Bernstein analysis

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Exhibit 28

We estimate that MolsonCoors as a combined entity is fairly valued at US$92 per share, translating into C$46 per current Molson share at the proposed 0.36x exchange ratio and C$5.44 special dividend

Molson-Coors Valuation

Dates		**Perpetuity Stage DCF**	
Valuation Date	1/13/05	Starting Cash Flow	821
First full year	2005	Growth Rate	*3.5%*
Portion of year 1 elapsed	4%	Marginal ROIC	*23.2%*
		Spread	*14.4%*
		WACC beyond year 10	*8.8%*
First Stage Assumptions		NPV Perpetuity Value	6,515
EBITA (2005)	802		
Effective cash tax rate	33.6%	Total NPV	10,773
Starting NOPAT	532	Timing Adjustments	454
Reinvestment	111	Enterprise Value	11,227
Cash Flow	421	Debt	(2,586)
Number of Years in Period	5	Value of Equity Investments	
Length of Fade	5	Value of Tax Deferrals	-
Growth Rate	7.8%	Underfunded pension plans	(763)
Marginal ROIC	37.5%	Equity Value	7,878
WACC	8.3%	# shares	86
		Value per Share	92

FY05 EPS Estimate (Bernstein)	5.15	FY06 EPS Estimate (Bernstein)	6.01
FY1 PE	17.8x	FY2 PE	15.2x

Explicit Period Assumptions

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
NOPAT	532	574	619	667	719	776	807	838	870	902	935
Reinvestment	111	120	129	139	150	83	84	85	86	87	141
Cash Flow	421	454	490	528	569	693	723	753	784	816	793
Growth Rate		*7.8%*	*7.8%*	*7.8%*	*7.8%*	*7.8%*	*4.0%*	*3.9%*	*3.8%*	*3.7%*	*3.6%*
Marginal ROIC	*37.5%*	*37.5%*	*37.5%*	*37.5%*	*37.5%*	*37.5%*	*37.5%*	*37.5%*	*37.5%*	*37.5%*	*37.5%*
WACC	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*	*8.3%*
NPV	389	388	386	384	383	430	415	399	384	369	331
Sum Explicit Period	4,258										
Tangible Invested Capital	2,865	2,985	3,114	3,253	3,403	3,486	3,569	3,654	3,740	3,827	3,968
Tangible ROIC	18.6%	19.2%	19.9%	20.5%	21.1%	22.3%	22.6%	22.9%	23.3%	23.6%	23.6%

Share Price Sensitivity

5 Year NOPAT Growth	Marginal ROIC 20%	30%	40%	50%	60%
4.0%	71	74	75	76	77
4.5%	72	76	77	79	79
5.0%	74	78	80	81	81
5.5%	76	80	82	83	84
6.0%	77	82	84	85	86
6.5%	79	84	86	88	88
7.0%	81	86	88	90	91
7.5%	83	88	91	92	93
8.0%	85	90	93	95	96
8.5%	86	92	95	97	98

P/E Sensitivity

5 Year NOPAT Growth	Marginal ROIC 20%	30%	40%	50%	60%
4.0%	13.7	14.3	14.6	14.8	15.0
4.5%	14.0	14.7	15.0	15.3	15.4
5.0%	14.3	15.1	15.5	15.7	15.8
5.5%	14.7	15.5	15.9	16.1	16.3
6.0%	15.0	15.9	16.3	16.5	16.7
6.5%	15.3	16.3	16.7	17.0	17.2
7.0%	15.7	16.7	17.2	17.5	17.6
7.5%	16.1	17.1	17.6	17.9	18.1
8.0%	16.4	17.5	18.1	18.4	18.6
8.5%	16.8	17.9	18.5	18.9	19.1

Share Price Sensitivity

5 Year NOPAT Growth	Terminal Growth 2.5%	3.0%	3.5%	4.0%	4.5%
4.0%	67	71	75	80	87
4.5%	69	73	77	83	89
5.0%	71	75	79	85	92
5.5%	73	77	81	87	94
6.0%	75	79	83	89	97
6.5%	77	81	86	92	99
7.0%	79	83	88	94	102
7.5%	81	85	90	96	104
8.0%	83	87	92	99	107
8.5%	85	89	95	101	110

P/E Sensitivity

5 Year NOPAT Growth	Terminal Growth 2.5%	3.0%	3.5%	4.0%	4.5%
4.0%	13.0	13.7	14.6	15.6	16.9
4.5%	13.4	14.1	15.0	16.0	17.3
5.0%	13.7	14.5	15.4	16.5	17.8
5.5%	14.1	14.9	15.8	16.9	18.3
6.0%	14.5	15.3	16.2	17.3	18.8
6.5%	14.9	15.7	16.6	17.8	19.2
7.0%	15.2	16.1	17.1	18.3	19.7
7.5%	15.6	16.5	17.5	18.7	20.2
8.0%	16.0	16.9	18.0	19.2	20.7
8.5%	16.5	17.3	18.4	19.7	21.3

Source: Bernstein analysis

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Risks

The primary risk factor to our outperform rating on Coors is that it assumes the Molson transaction will proceed. If the merger falls through completely, we do not believe Coors warrants an outperform rating. However, given that we put the probability of the transaction taking place at a high 85%, and Coors's intrinsic value is close to its pre-merger market price, we believe this risk is worth assuming. Should the transaction require an updated higher offer from Coors, we still believe it will create significant value for Coors shareholders, but the timing of delivering the synergies would probably be pushed back.

Another risk is Brazil. Our forecast for Molson assumes a significant turnaround in the Brazilian business. While we believe it is possible for Molson to cut its losses, it is by no means certain that it can get all the way back to break-even given the extent of its troubles. However, a potential downside scenario would be where Molson shareholders would realize losses equivalent to C$1 per share for the next two years at which point the company could simply walk away from the business. In that case, the fair value of Molson stock would be C$39 (C$40 for the Canadian business less the C$1 of Brazilian losses).

Earnings Model

Exhibit 29
RKY Annual Income Statement - Standalone

	1999	2000	2001	2002	2003	2004E	2005E	2006E	2007E	2008E
Net Sales	2,236.5	2,414.4	2,429.5	3,776.3	4,000.1	4,302.8	4,429.4	4,496.6	4,583.7	4,676.4
Cost of Sales	1,397.3	1,525.8	1,537.6	2,414.5	2,586.8	2,760.8	2,816.8	2,837.0	2,856.1	2,888.0
Gross Profit	839.2	888.6	891.8	1,361.8	1,413.3	1,542.1	1,612.6	1,659.6	1,727.5	1,788.4
Advertising & Promotions	443.4	477.3	465.2	586.2	588.2	-	-	-	-	-
Amortization						-	-	-	-	-
Other MD&A	249.6	245.4	251.9	471.0	517.8	1,208.9	1,257.6	1,289.2	1,325.1	1,363.2
Special charge, net	5.7	15.2	23.2	6.3	-	-	-	-	-	-
Operating Income	140.5	150.6	151.6	298.3	307.4	333.1	355.0	370.4	402.4	425.1
Gain on sales of distributorships	-	1.0	27.7	-	-	-	-	-	-	-
Interest income	11.3	21.3	16.4	21.2	19.2	19.0	22.9	22.4	23.2	26.6
Interest expense	(4.4)	(6.4)	(2.0)	(70.9)	(81.2)	(71.9)	(66.0)	(62.7)	(62.7)	(62.7)
Other expense, net	3.2	3.0	4.3	8.0	8.4	7.8	3.5	3.5	3.5	3.5
Income before taxes	150.7	169.5	198.0	256.6	253.8	288.1	315.4	333.6	366.5	392.6
Provision for taxes	58.4	59.9	75.0	94.9	79.2	90.4	99.7	105.4	115.8	124.1
Net inc. from continuing ops	92.3	109.6	123.0	161.7	174.7	197.7	215.7	228.2	250.7	268.6
Minority interests	-	-	-	-	-	(14.2)	(14.7)	(14.9)	(15.2)	(15.5)
Net income	92.3	109.6	123.0	161.7	174.7	183.5	201.1	213.3	235.5	253.0
Basic EPS	$ 2.51	$ 2.98	$ 3.33	$ 4.47	$ 4.81	$ 4.92	$ 5.32	$ 5.57	$ 6.07	$ 6.43
YoY Growth %	34.6%	18.6%	11.8%	34.2%	7.5%	2.4%	8.0%	4.7%	9.0%	6.1%
Diluted EPS	$ 2.46	$ 2.93	$ 3.31	$ 4.42	$ 4.77	$ 4.83	$ 5.22	$ 5.47	$ 5.96	$ 6.32
YoY Growth %	36.3%	18.8%	13.0%	33.7%	8.0%	1.2%	8.1%	4.7%	9.0%	6.1%
Diluted EPS - Underlying	$ 2.46	$ 2.93	$ 3.31	$ 4.42	$ 4.77	$ 4.73	$ 5.22	$ 5.47	$ 5.96	$ 6.32
YoY Growth %	36.3%	18.8%	13.0%	33.7%	8.0%	-0.9%	10.4%	4.7%	9.0%	6.1%
Average Basic Shares	36.729	36.785	36.902	36.14	36.338	37.286	37.819	38.320	38.821	39.319
YoY Growth %	1.1%	0.2%	0.3%	-2.1%	0.5%	2.6%	1.4%	1.3%	1.3%	1.3%
Average Diluted Shares	37.457	37.45	37.177	36.566	36.596	38.013	38.519	39.020	39.521	40.019
YoY Growth %	-0.2%	0.0%	-0.7%	-1.6%	0.1%	3.9%	1.3%	1.3%	1.3%	1.3%

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Exhibit 30

RKY Annual Segment Forecast - Standalone

	2001	2002	2003	2004E	2005E	2006E	2007E	2008E
Volumes (MM Barrels)	22.7	31.8	32.7	32.7	33.1	33.6	34.0	34.5
Americas	22.7	22.7	22.4	22.2	22.2	22.3	22.4	22.5
Europe	-	9.2	10.4	10.5	10.9	11.2	11.6	12.0
Corporate	-	-	-	-	-	-	-	-
Volume Growth %		40.5%	2.8%	-0.1%	1.3%	1.3%	1.4%	1.5%
Americas		0.1%	-1.4%	-0.7%	0.1%	0.4%	0.5%	0.5%
Europe		0.0%	13.2%	1.1%	3.8%	3.3%	3.3%	3.3%
Corporate								
Net Sales	2,429	3,776	4,000	4,303	4,429	4,497	4,584	4,676
Americas	2,422	2,401	2,410	2,474	2,539	2,608	2,685	2,763
Europe	7	1,375	1,591	1,829	1,890	1,888	1,899	1,913
Corporate	-	-	-	-	-	-	-	-
Net Sales Growth %		55.4%	5.9%	7.6%	2.9%	1.5%	1.9%	2.0%
Americas		-0.9%	0.4%	2.7%	2.6%	2.7%	2.9%	2.9%
Europe		0.0%	15.6%	15.0%	3.4%	-0.1%	0.6%	0.8%
Corporate								
COGS	1,538	2,415	2,587	2,761	2,817	2,837	2,856	2,888
Americas	1,532	1,482	1,474	1,484	1,515	1,549	1,575	1,610
Europe	5	933	1,113	1,276	1,302	1,288	1,282	1,278
Corporate	-	-	-	-	-	-	-	-
SG&A	696	1,057	1,106	1,209	1,258	1,289	1,325	1,363
Americas	686	701	718	749	770	793	817	841
Europe	10	332	362	423	448	455	465	477
Corporate	-	24	27	37	39	41	43	45
Special charge, net	23.2	6.3	-	-	-	-	-	-
Americas	23.2	3.6	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-
Corporate	-	2.6	-	-	-	-	-	-
Operating Income	173	298	307	333	355	370	402	425
Americas	181	214	218	241	255	266	293	312
Europe	(8)	111	116	129	140	146	152	158
Corporate	-	(27)	(27)	(37)	(39)	(41)	(43)	(45)
Operating Income Growth		72.5%	3.0%	8.4%	6.5%	4.4%	8.6%	5.7%
Americas		18.3%	1.7%	10.5%	5.8%	4.4%	10.4%	6.3%
Europe		0.0%	5.0%	11.0%	8.2%	4.2%	4.2%	4.1%
Corporate			0.0%	37.4%	7.2%	4.2%	4.4%	4.4%
Operating Margin %	7.1%	7.9%	7.7%	7.7%	8.0%	8.2%	8.8%	9.1%
Americas	7.5%	8.9%	9.0%	9.7%	10.0%	10.2%	10.9%	11.3%
Europe	-113.6%	8.1%	7.3%	7.1%	7.4%	7.7%	8.0%	8.3%

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Exhibit 31
RKY Annual Balance Sheet - Standalone

	1999	2000	2001	2002	2003	2004E	2005E	2006E	2007E	2008E
Cash	164	120	77	59	19	171	191	209	264	337
ST Marketable Securities	113	73	233	-	-	-	-	-	-	-
Trade A / R, net	124	104	95	600	618	706	727	738	752	767
Affiliate receivables	14	7	0	41	38	-	-	-	-	-
Other receivables, net	22	15	14	64	95	102	105	106	108	111
Inventories	107	110	115	185	209	224	228	230	231	234
Operating Supplies, net	24	24	23	30	29	-	-	-	-	-
Deferred Tax Assets	20	25	28	21	13	3	3	3	3	3
Other current assets, net	25	20	22	53	58	93	95	97	99	101
TOTAL CA	613	498	607	1,054	1,079	1,299	1,350	1,383	1,458	1,553
PP&E, net	714	736	870	1,380	1,451	1,408	1,413	1,432	1,438	1,442
Goodwill	31	55	7	727	796	810	810	810	810	810
Other intangibles	-	-	79	529	552	558	540	522	504	486
Investments in JV's		56	95	191	194	137	145	152	161	170
LT deferred tax asset		-	-	206	205	209	209	209	209	209
LT notes receivable, net	3	194	-	109	108	108	108	108	108	108
Other LT assets	185	91	82	100	101	129	133	135	138	140
TOTAL ASSETS	1,546	1,629	1,740	4,297	4,486	4,659	4,707	4,753	4,826	4,919
Accounts Payable	180	198	222	335	396	423	431	435	437	442
Accrued salaries and vacations	61	57	57	79	58	60	62	62	64	65
Taxes, other than income	54	32	31	178	212	221	227	230	235	240
Accrued expenses	98	92	119	412	376	391	402	408	416	424
ST Borrowings	-	-	-	102	21	-	-	-	-	-
Current portion LT debt	-	-	88	42	70	144	144	144	144	19
TOTAL CL	393	379	518	1,148	1,134	1,237	1,266	1,279	1,296	1,190
LT Debt	105	105	20	1,383	1,160	920	670	420	170	45
Deferred tax liability	79	90	62	156	196	204	216	228	241	255
Postretirement	76	77	142	512	530	491	549	608	669	732
Other LT liabilities	53	45	47	116	200	215	221	225	229	234
TOTAL LIABILITIES	705	697	788	3,316	3,219	3,068	2,922	2,761	2,605	2,456
Minority Interest						35	49	64	79	95
Preferred stock	-	-	-	-	-	-	-	-	-	-
Class A common	1	1	1	1	0	0	0	0	0	0
Class B Common	8	9	8	8	0	0	0	0	0	0
Capital in excess of par	6	11	-	20	32	100	110	120	131	143
Unvested restricted	-	(0)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)
Retained earnings	825	908	955	1,087	1,232	1,385	1,555	1,737	1,938	2,153
AOCI(L)	1	3	(13)	(133)	4	72	72	72	72	72
TOTAL EQUITY	842	932	951	982	1,267	1,556	1,736	1,928	2,141	2,368
TOTAL L + E	1,546	1,629	1,740	4,297	4,486	4,659	4,707	4,753	4,826	4,919

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Exhibit 32

RKY Annual Cash Flow Statement - Standalone

	1999	2000	2001	2002	2003	2004E	2005E	2006E	2007E	2008E
Net Income	92	110	123	162	175	198	216	228	251	269
Minority Interest						14	15	15	15	16
Equity in net earnings of JV's	(37)	(42)	(44)	(55)	(66)	(60)	(70)	(78)	(86)	(94)
Distributions from JV's	30	55	39	67	71	67	63	70	77	85
Non-cash charges	5	11	7	-	-	-	-	-	-	-
Depreciation & Amotization	124	129	121	227	237	279	279	286	292	299
Amortization of debt issuance and discounts		-	-	3	7	2	-	-	-	-
Gains on sales of securities			(4)	(4)	-	-	-	-	-	-
Gain on sale, net	2	(5)	(30)	(10)	(5)	1	-	-	-	-
Deferred income taxes	21	7	(19)	12	53	8	11	12	13	14
Gain/loss on FX and derivatives		-	0	3	1	-	-	-	-	-
Tax benefit from equity compensation			4	3	0	-	-	-	-	-
Changes in W/C	(26)	16	(4)	(149)	70	(52)	(3)	(2)	(3)	(3)
Net cash from operations	211	281	193	259	544	458	511	531	560	585
Purchases of investments	(95)	(357)	(228)	-	-	-	-	-	-	-
Sales and maturities of investments	106	208	268	233	-	-	-	-	-	-
Additions to properties	(134)	(151)	(243)	(240)	(240)	(215)	(266)	(288)	(280)	(285)
Additional to intangible assets		(3)	(2)	(7)	(0)	-	-	-	-	-
Proceeds from sales	4	6	64	27	16	48	-	-	-	-
Acquisition of CBL		-	-	(1,587)	-	-	-	-	-	-
Investment in Molson USA		-	(65)	(3)	(5)	(2)	-	-	-	-
Other	(1)	(1)	9	(8)	(1)	92	61	61	63	65
Net cash from investing	(121)	(298)	(197)	(1,584)	(230)	(77)	(205)	(227)	(217)	(221)
Issuances of stock under stock plans	10	17	11	16	2	63	10	10	11	12
Purchases of treasury stock	(21)	(20)	(72)	-	-	-	-	-	-	-
Dividends paid	(24)	(27)	(30)	(30)	(30)	(31)	(31)	(31)	(34)	(38)
Proceeds from issuance of debt		-	-	2,392	-	-	-	-	-	-
Net proceeds from ST borrowings		-	-	331	(84)	(21)	-	-	-	-
Net proceeds on commercial paper		-	-	-	250	(131)	(119)	-	-	-
Payments on debt and capital lease obligations	(40)	-	-	(1,380)	(463)	(89)	(131)	(250)	(250)	(250)
						(7)	-	-	-	-
Debt issuance costs			-	(10)	-	-	-	-	-	-
Change in overdraft balances	(11)	5	52	(28)	(33)	-	-	-	-	-
Other	(2)	(2)	1	-	-	-	-	-	-	-
Net cash provided by financing	(88)	(27)	(39)	1,292	(357)	(216)	(271)	(271)	(273)	(276)
Net change in cash	3	(44)	(42)	(34)	(43)	165	34	33	70	89

Exhibit 33

RKY Quarterly Income Statement - Standalone

	1Q03	2Q03	3Q03	4Q03	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05
Net Sales	828.1	1,100.4	1,048.7	1,022.9	923.5	1,150.7	1,104.3	1,124.3	946.8	1,212.3	1,153.2	1,117.1
Cost of Sales	559.5	683.1	658.0	686.2	611.7	703.0	688.4	757.6	618.4	734.5	715.5	748.5
Gross Profit	268.7	417.3	390.7	336.7	311.8	447.7	415.9	366.7	328.4	477.8	437.7	368.6
Other MD&A	254.3	299.8	281.3	270.5	283.8	322.1	312.0	291.1	296.6	336.5	325.8	298.7
Special charge, net	-	-	-	-	-	-	-	-	-	-	-	-
Operating Income	14.4	117.5	109.4	66.1	28.0	125.6	103.9	75.6	31.8	141.3	111.9	69.9
Interest income	4.7	5.2	4.7	4.6	4.7	4.5	5.0	4.9	5.8	7.0	4.6	5.5
Interest expense	(21.1)	(22.7)	(18.4)	(19.0)	(20.2)	(17.5)	(17.2)	(16.9)	(17.0)	(16.5)	(16.3)	(16.2)
Other inc. (exp.), net	3.4	2.9	(0.0)	2.1	(1.4)	1.4	5.9	1.9	1.2	1.1	0.6	0.6
Income before taxes	1.3	102.894	95.8	53.9	11.1	113.9	97.5	65.5	21.8	132.9	100.8	59.8
Provision for taxes	0.5	26.6	34.3	17.8	3.7	36.5	29.4	20.7	6.9	42.0	31.9	18.9
Inc. pre-minority interest	0.8	76.3	61.4	36.1	7.3	77.4	68.1	44.8	14.9	90.9	69.0	40.9
Minority interests	-	-	-	-	(2.5)	(5.4)	(4.0)	(2.3)	(2.6)	(5.7)	(4.1)	(2.3)
Net income	0.8	76.3	61.4	36.1	4.8	72.0	64.1	42.5	12.4	85.2	64.9	38.6
Basic EPS	$ 0.02	$ 2.10	$ 1.69	$ 0.99	$ 0.13	$ 1.94	$ 1.72	$ 1.13	$ 0.33	$ 2.26	$ 1.71	$ 1.02
YoY Growth %	-97%	12%	31%	78%	495%	-8%	2%	14%	149%	16%	0%	-10%
Diluted EPS	$ 0.02	$ 2.09	$ 1.68	$ 0.98	$ 0.13	$ 1.90	$ 1.68	$ 1.11	$ 0.32	$ 2.22	$ 1.68	$ 1.00
YoY Growth %	-97%	13%	32%	78%	489%	-9%	0%	13%	149%	17%	0%	-10%
Diluted EPS - Underlying	$ 0.02	$ 2.09	$ 1.68	$ 0.98	$ 0.13	$ 1.90	$ 1.58	$ 1.11	$ 0.32	$ 2.22	$ 1.68	$ 1.00
YoY Growth %	-97%	13%	32%	78%	489%	-9%	-6%	13%	149%	17%	6%	-10%
Average Basic Shares	36.317	36.319	36.339	36.377	36.664	37.16	37.341	37.489	37.614	37.739	37.864	37.989
YoY Growth %	1%	1%	0%	0%	1%	2%	3%	3%	3%	2%	1%	1%
Average Diluted Shares	36.558	36.524	36.575	36.786	37.277	37.862	38.125	38.189	38.314	38.439	38.564	38.689
YoY Growth %	1%	0%	0%	0%	2%	4%	4%	4%	3%	2%	1%	1%

Robert van Brugge • vanbrugger@bernstein.com • +1-212-823-2668

Exhibit 34
RKY Quarterly Segment Forecast - Standalone

	1Q03	2Q03	3Q03	4Q03	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05
Volumes (MM Barrels)	6.9	9.1	8.8	7.9	7.0	8.8	8.6	8.3	7.1	9.1	8.8	8.2
Americas	4.9	6.4	6.0	5.1	4.9	6.1	5.9	5.3	4.9	6.3	5.9	5.1
Europe	2.0	2.7	2.8	2.8	2.1	2.7	2.6	3.0	2.1	2.8	2.8	3.1
Corporate												
Volume Growth %	6.3%	2.8%	4.3%	-1.7%	1.8%	-3.4%	-2.4%	4.5%	0.2%	3.6%	2.2%	-1.3%
Americas	-4.4%	0.8%	0.1%	-2.7%	-0.2%	-5.2%	-0.6%	4.2%	0.3%	3.7%	-0.3%	-3.8%
Europe	46.3%	8.1%	14.7%	0.2%	6.5%	0.8%	-6.2%	5.0%	0.0%	3.3%	8.0%	3.3%
Corporate												
Net Sales	828	1,100	1,049	1,023	924	1,151	1,104	1,124	947	1,212	1,153	1,117
Americas	527	692	640	550	540	679	662	593	559	721	676	584
Europe	301	408	408	473	384	471	442	532	388	492	477	533
Corporate	-	-	-	-	-	-	-	-	-	-	-	-
Net Sales Growth %	11.0%	5.0%	4.7%	4.3%	11.5%	4.6%	5.3%	9.9%	2.5%	5.4%	4.4%	-0.6%
Americas	-3.3%	2.3%	2.6%	-0.8%	2.5%	-1.8%	3.4%	7.7%	3.5%	6.1%	2.1%	-1.5%
Europe	50.1%	10.0%	8.2%	10.9%	27.3%	15.4%	8.3%	12.5%	1.2%	4.3%	7.9%	0.3%
Corporate												
COGS	559	683	658	686	612	703	688	758	618	735	715	748
Americas	338	402	384	351	334	390	387	373	342	412	393	367
Europe	222	282	274	335	277	313	302	384	276	322	322	381
Corporate	-	-	-	-	-	-	-	-	-	-	-	-
SG&A	254	300	281	271	284	322	312	291	297	336	326	299
Americas	165	201	183	168	175	200	199	176	180	205	204	181
Europe	84	91	92	94	102	111	103	107	110	119	110	109
Corporate	5	7	6	8	7	11	11	8	7	12	12	9
Special charge, net	-	-	-	-	-	-	-	-	-	-	-	-
Americas	-	-	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-	-	-
Corporate	-	-	-	-	-	-	-	-	-	-	-	-
Operating Income	14	117	109	66	28	126	104	76	32	141	112	70
Americas	24	89	73	31	30	90	77	44	37	103	78	36
Europe	(4)	35	42	43	4	47	38	40	2	50	45	42
Corporate	(5)	(7)	(6)	(8)	(7)	(11)	(11)	(8)	(7)	(12)	(12)	(9)
Operating Income Growth	-68.2%	-4.1%	22.7%	59.6%	95.0%	6.9%	-5.0%	14.4%	13.5%	12.5%	7.7%	-7.5%
Americas	-44.2%	3.2%	22.7%	25.4%	26.0%	0.3%	5.0%	41.0%	21.8%	14.7%	2.1%	-17.2%
Europe	-150.6%	-17.4%	21.2%	77.0%	-199.9%	32.9%	-11.1%	-6.8%	-52.1%	7.1%	19.6%	5.4%
Corporate	-21.5%	5.7%	12.5%	4.6%	28.8%	51.3%	71.4%	4.2%	7.5%	7.1%	9.7%	3.9%
Operating Margin %	1.7%	10.7%	10.4%	6.5%	3.0%	10.9%	9.4%	6.7%	3.4%	11.7%	9.7%	6.3%
Americas	4.6%	12.9%	11.4%	5.7%	5.6%	13.2%	11.6%	7.4%	6.6%	14.3%	11.6%	6.2%
Europe	-1.5%	8.6%	10.4%	9.1%	1.2%	10.0%	8.5%	7.6%	0.5%	10.2%	9.5%	7.9%
Corporate												

SRO REQUIRED DISCLOSURES

- References to "Bernstein" relate to Sanford C. Bernstein & Co., LLC and Sanford C. Bernstein Limited, collectively.
- Bernstein analysts are compensated based on aggregate contributions to the research franchise as measured by account penetration, productivity and proactivity of investment ideas. No analysts are compensated based on performance in, or contributions to, generating investment banking revenues.
- Bernstein rates stocks based on forecasts of relative performance for the next 6-12 months versus the S&P 500 for U.S. listed stocks and versus the MSCI Pan Europe Index for stocks listed on the European exchanges — unless otherwise specified. We have three categories of ratings:

  Outperform: Stock will outpace the market index by more than 15 pp in the year ahead.

  Market-Perform: Stock will perform in line with the market index to within +/-15 pp in the year ahead.

  Underperform: Stock will trail the performance of the market index by more than 15 pp in the year ahead.

- As of 12/31/04, our ratings were distributed as follows: Outperform/Buy - 48.7%; Market-Perform/Hold - 45.7%; Underperform/Sell - 5.6%.
- Accounts over which Sanford C. Bernstein & Co., LLC, Sanford C. Bernstein Limited, and/or their affiliates exercise investment discretion own more than 1% of the outstanding common stock of RKY / Adolph Coors Co.

OTHER DISCLOSURES

To our readers in the United States: Sanford C. Bernstein & Co., LLC is distributing this report in the United States and accepts responsibility for its contents. Any U.S. person receiving this report and wishing to effect securities transactions in any security discussed herein should do so only through Sanford C. Bernstein & Co., LLC.

To our readers in the United Kingdom: This report has been issued or approved for issue in the United Kingdom by Sanford C. Bernstein Limited, regulated by the Financial Services Authority and located at Devonshire House, 1 Mayfair Place, London W1J 8SB, +44 (0)20-7170-5000.

To our readers in member states of the EEA: This report is being distributed in the EEA by Sanford C. Bernstein Limited, which is regulated in the United Kingdom by the Financial Services Authority and holds a passport under the Investment Services Directive.

To our readers in Australia: Sanford C. Bernstein & Co., LLC and Sanford C. Bernstein Limited are exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 in respect of the provision of the following financial services to wholesale clients:

- providing financial product advice;
- dealing in a financial product;
- making a market for a financial product; and
- providing a custodial or depository service.

Sanford C. Bernstein & Co., LLC and Sanford C. Bernstein Limited are regulated by the Securities and Exchange Commission under US laws and by the Financial Services Authority under UK laws, respectively, which differ from Australian laws.

One or more of the officers, directors, or employees of Sanford C. Bernstein & Co., LLC, Sanford C. Bernstein Limited and/or its affiliates may at any time hold, increase or decrease positions in securities of any company mentioned herein.

Sanford C. Bernstein & Co., LLC, Sanford C. Bernstein Limited, or its or their affiliates may provide investment management or other services to the pension or profit sharing plans, or employees of any company mentioned herein , and may give advice to others as to investments in such companies. These entities may effect transactions that are similar to or different from those recommended herein.

CERTIFICATIONS

- I/(we), Robert van Brugge, certify that all of the views expressed in this report accurately reflect my/(our) personal views about any and all of the subject securities or issuers and that no part of my/(our) compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views in this report.

Approved By: DSB